

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JUNE 12, 2019
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The Chair opened the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Finance Committee members present:** Jen Audley, Fred Bowman, Greg Garrison, John Hanold, Chris Menegoni, Michael Naughton, and Richard Widmer.
- **Others present:** Town Administrator Steve Ellis, Town Accountant Carolyn Olsen, Police Chief Chris Williams and Treasurer Eileen Seymour.
- The Chair announced that the meeting is being recorded by MCTV and asked if anyone else was recording the meeting. No one else was recording the meeting.

Minutes

Finance Committee Moved:

To approve the minutes of April 10, 2019.

Vote: 7 In Favor 0 Opposed 0 Abstained

Reserve Fund Transfers

Dispatch is requesting a Reserve Fund transfer of \$6,000 to the overtime budget. The funds are needed because a full-time dispatcher left in late February and that shift has been filled using overtime. It took longer to hire and train a new dispatcher than anticipated. The new dispatcher just recently began working a regular shift. The Selectboard recommended this transfer at their June 3rd meeting.

Finance Committee Moved:

To transfer \$6,000 from the Reserve Fund to Dispatch overtime (001-5-212-5132).

Vote: 7 In Favor 0 Opposed 0 Abstained

Chief Williams left after this vote.

The Town Debt budget is currently overspent because an unanticipated principal payment for the Skateboard Park debt was required as part of the bond issued this year.

Finance Committee Moved:

To transfer \$8,000 from the Reserve Fund to Skateboard Park Principal (001-5-710-5944).

Vote: 7 In Favor 0 Opposed 0 Abstained

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Topic not anticipated within in the 48 hour posting requirements –

Unanticipated Reserve Fund Transfer Request: The total Shared Budget has a current balance of \$1,532.94. Expenses through June 30 are estimated to be \$5,444. The deficit has occurred because the Code Red bill, while dated as due in mid-June, has always been paid at the beginning of July to align with the beginning of the fiscal year. However, this year the bill was processed while Ms. Olsen was out, because neither of the staff involved in processing the payment was aware of that past practice.

Finance Committee Moved:

To transfer \$4,000 from the Reserve Fund to Shared Code Red (001-5-159-5350).

Vote: 7 In Favor 0 Opposed 0 Abstained

MGL Chapter 44 Section 33B Transfers

As with the Skateboard Park debt, unanticipated principal payments were also required for the debt for #17 5/3/14 Pump Stations and #15 9/12/13 Industrial Boulevard. Additionally, short term interest was overspent. The Selectboard must also approve this transfer, and this is on their agenda for June 17, 2019.

Finance Committee Moved:

To transfer \$26,000 from the WPCF Solid Waste Disposal budget (661-5-440-5280), with \$15,500 going to WPCF #17 5/3/14 Pump Station Principal (661-5-710-5941), \$10,000 going to WPCF #15 9/12/13 Industrial Boulevard Principal (661-5-710-5946), and \$500 going to WPCF Short Term Interest (661-5-752-5925).

Vote: 7 In Favor 0 Opposed 0 Abstained

Ms. Seymour left after this vote.

Reflections on the FY20 Budget Process

As in past years, it was suggested that it is not necessary to hold hearings for departments that are not proposing any major changes to their operations or budget. Several senior members of the committee observed that in recent years the quantity and length of budget hearing meetings has been reduced. Mr. Hanold noted that there are several major projects coming up that will require our attention, and we may want to adopt a practice of focusing our time on issues where

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our scrutiny is needed. As in past years, committee members voiced a variety of opinions about the value and purpose of departmental budget hearings. No decisions were made.

It was suggested that the departments' budget request narratives could include information about the department's longer range plans – for instance, a brief description of what challenges are anticipated and what departments hope to accomplish in the next five years.

It was suggested that if Finance Committee members could receive some materials to review earlier, for instance by having staggered due dates for different departments or submissions (line item budgets, department narratives, special article requests) they would have more time to review requests and prepare questions before the first hearings. Mr. Ellis and Ms. Olsen will consider options and report back.

It was suggested that an executive summary from the town administrator highlighting major changes and other important things to consider would be a helpful accompaniment to the departmental budget requests.

It was observed that departments may need more guidance on how to make a case for adding programs or staff. The town administrator and/or any applicable oversight boards should be familiar with (and ideally, support) the rationale for diverging from a level service budget. The need for a change in services should be clearly established before the request comes to the Finance Committee.

The Finance Committee is charged with determining which expenditures to prioritize and recommend for the Town's annual budget, so departmental proposals to the Finance Committee should focus on making the case for new or increased expenditures in the upcoming year and their potential impacts on future budgets.

Some members of the Finance Committee also wish to encourage and support longer-range planning and visioning for the town. This effort should involve a much wider array of stakeholders and may need to be more clearly separated from the annual budget development process.

Ms. Olsen shared feedback from departments about the most recent budget process. Some said it was frustrating to be asked to provide information in writing, and then to be asked to provide the same information at hearings. Some noted that at the budget hearings, many of the questions they were asked were about matters beyond the scope of the FY20 budget and expenses. Two departments were asked "if they wanted more money," which was not well received by other departments.

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There was general agreement that changing the format for our annual report to Town Meeting was a worthwhile endeavor, and kudos to Ms. Audley for spearheading the project. We will use this year's report as a template in the future. It was noted that while dedicating time to discussing department budgets after their hearings was valuable, those discussions did not inform the content of the report in the manner we'd imagined. Editing the report felt laborious and took too much meeting time this year, but may be less time-consuming now that the format is set. Mr. Hanold felt that some of the commentary in the report could have been condensed. He also asked that we consider consolidating some of the pie charts.

Ms. Olsen was frustrated that during Town Meeting there were several times when town meeting members asked for information that they could have found on the town's website, and there were clear indications that a few town meeting members had not read the Finance Committee report. However, others noted that overall it seemed as if more people spoke with knowledge of the issues at this year's Annual Town Meeting, and that could be attributable to the information provided to them in advance. Ms. Audley noted that when she asked newer town meeting members if the report was useful for them, they responded affirmatively.

Mr. Naughton noted that it may be difficult for town meeting members to find what they are looking for on the town's website, because there are so many documents there related to the annual budget development process. He suggested putting all narratives in one document and posting the complete budget in Excel format.

After more than an hour of discussion on this topic, the committee decided to move on to the next item on the agenda. Ms. Audley noted that she would like to revisit some aspects of this discussion at future meetings, before the FY21 budget process begins.

Discretionary Funds

Mr. Hanold asked if the committee want to revisit this issue in FY21. Mr. Bowman's preference was to leave it as it is, but the majority indicated that they would like to give this topic further consideration prior to starting the Fiscal Year 2021 budget process.

Potential Capital Needs

Mr. Hanold noted that Town Meeting has approved a number of articles funding studies that are likely to result in requests for significant additional spending. We would like to have a better understanding of when the results of those studies will be available, and of the potential impact on future annual budgets. Ms. Audley asked if Mr. Ellis could produce a chart showing the timelines for the various studies and the likely timing of associated spending.

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Next Meeting Date: July 10th to reorganize and approve any final transfers needed. We tentatively set July 24th and August 21st as future meeting dates.

Mr. Widmer left at 7:45 PM

Topics not anticipated within in the 48 hour posting requirements –

Ms. Audley attended a quarterly joint meeting of the Northfield, Leyden, Bernardston and Warwick Selectboards and Finance Committees on June 10. It appears that all four Selectboards have voted for their towns to form planning committees to consider the pros and cons of combining the PVRSD with the GMRSD. The Pioneer Valley Regional School District's School Committee has not yet voted to do this, as they have been focused on the Fiscal Year 2020 budget. The decision may be made by the four towns at Town Meetings. Budget issues, notably concerns about the savings from closing the Leyden Elementary School being absorbed by other district expenses instead of returned to the towns, have led the Selectboards and Finance Committees to recommend voting down the proposed PVRSD assessment at Special Town Meetings on June 17th.

Mr. Hanold noted that this would be Mr. Naughton's last meeting and expressed distress at his leaving the committee and understanding of his reasons. He was joined by other members in appreciation of Mr. Naughton's contributions.

Meeting adjourned at 7:59 PM

List of Documents and Exhibits:

- Minutes of April 10, 2019
- Reserve Fund Transfer Requests – Dispatch, Town Debt, and Shared budgets
- MGL Ch44 Section 33B Transfer Request – WPCF Operating Budget to WPCF Debt